



COUNTY OF PLACER
Community Development Resource Agency

PLANNING

Michael J. Johnson, AICP
Agency Director

MEMORANDUM

TO: Honorable Board of Supervisors.

FROM: Michael J. Johnson, Director
Planning Department, Community Development Resource Agency

DATE: July 7, 2009

SUBJECT: Hausrath Economics Group (HEG) \$185,338.30 contract amendment for work associated with the Placer County Conservation Plan (PCCP)

ACTION REQUESTED

The Planning Department is requesting that the Board of Supervisors approve an amendment to the Hausrath Economics Group (HEG) contract for the preparation of the Placer County Conservation Plan (PCCP) Environmental Impact Statement/Environmental Impact Report (EIS/EIR) and to authorize the County Executive Officer to sign the contract amendment as submitted. The subject contract amendment for HEG is for \$185,338.30 which will bring the total contract amount to \$532,793.30.

BACKGROUND

The Planning Department is continuing with the preparation of the Placer County Conservation Plan for Western Placer County. The PCCP will provide regulatory coverage for the State and Federal Endangered Species Act for 50 years. The PCCP will also provide regulatory coverage for Sections 401 and 404 of the Clean Water Act for water quality and wetland permits and Section 1600 of the California Fish and Game Code for Streambed Alteration Agreements.

The subject contract amendment is for additional work related to cost modeling and analysis of the PCCP conservation strategy. This process involves updating the model with new cost elements to reflect the refined vernal pool restoration and oak woodlands conservation strategies (including fuel management activities for all reserve lands) and adjusting for inflation. Additional tasks include reviewing cost assumptions, updating land values, financial analysis and report preparation. Once these updates are completed, the input received from the conservation and restoration strategy will be used to run the model and HEG will complete a fiscal and economic impact analysis and write a cost and funding chapter for inclusion in the PCCP.

FISCAL IMPACT

The subject contract amendment for HEG is for \$185,338.30 which will bring the total contract amount to \$532,793.30. These funds are available for the Planning Department's budget for FY 08/09.

Respectfully submitted,

MICHAEL J. JOHNSON, AICP
Community Development / Resource Agency Director

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Attached to this report for the Board's information/consideration are:

ATTACHMENTS:

- Attachment A: Contract
- Attachment B: PCCP Economic Analysis, Proposed Scope of Services for HEG
- Attachment C: Original contract dates April 6, 2004
- Attachment D: First amendment to contract dated March 29, 2004

cc: Michael Johnson, CDRA
BWG Members
IWG Members
Chris Beale, Resources Law Group
Sally Nielsen, Hausrath Economics Group

**SECOND AMENDMENT TO CONSULTANT SERVICES-
FINANCIAL ALTERNATIVES, FISCAL IMPACT, AND
OPEN SPACE MITIGATION FEE ANALYSIS**

THIS SECOND AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT is made and entered on this _____ day of _____, 2009, by and between the COUNTY OF PLACER, hereinafter referred to as COUNTY, and HAUSRATH ECONOMICS GROUP, hereinafter referred to as CONSULTANT.

WHEREAS, on April 6, 2004, COUNTY and CONSULTANT entered into a Contract whereby consulting services would be provided to the COUNTY; and

WHEREAS, the parties have agreed to additional services to be provided by Consultant under said contract and the compensation for those additional services.

NOW, THEREFORE, IT IS MUTUALLY AGREED by and among the parties as follows:

1. That section 1(c) of the original Contract shall be amended to provide for the additional services and compensation as follows:

The CONSULTANT agrees to perform the additional professional services as set forth in Attachment "A" attached hereto and incorporated herein by reference, and the total compensation to be paid CONSULTANT for these additional services will result in an increase in the contract total of \$185,338.30, as set out in Attachment "A".

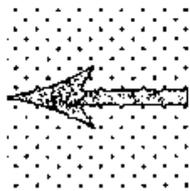
2. The COUNTY agrees to pay to CONSULTANT \$532,793.30 as the sole compensation under the Contract and as amended by the First and this Second Amendment.

EXCEPT as specifically modified above, all of the remaining terms and conditions of the said Contract shall remain and continue in full force and effect.

COUNTY OF PLACER:

By: _____
Thomas M. Miller, County Executive Officer

Date: _____



CONSULTANT:

By: Hinda L. Hausrath
Hausrath Economics Group
Title: President/Vice President

Date: April 17, 2009

By: Sally Erickson
Hausrath Economics Group
Title: Secretary

Date: April 17, 2009

APPROVED AS TO FORM:

By: _____
County Counselor

Date: 4/24/09

APPROVED AS TO CONTENT:

By: _____
Michael Johnson, CDRA Director

Date: 6.17.09

PCCP ECONOMIC ANALYSIS
PROPOSED SCOPE OF SERVICES

TASK 1 PCCP COST MODEL AND ANALYSIS (Hausrath Economics Group)

HEG will update the PCCP cost model to be consistent with the revised Draft Conservation Strategy. HEG will incorporate inputs from Tasks 2 and 3, adjustments for inflation, and other refinements deemed necessary since the model was last updated on a preliminary basis in August 2008. Updates will include new cost elements to reflect the refined vernal pool restoration and oak woodlands conservation strategies as well as fuel management activities for all reserve lands. The proposed budget assumes two meetings in Auburn to review cost assumptions with County staff and other knowledgeable individuals such as conservation land managers and restoration experts. The proposed budget assumes one round of cost revisions after staff and technical review of the updated cost model assumptions.

For the analysis of plan costs, County staff will provide model inputs in the form of tables from the TRA model showing land requirements for acquisition and restoration by PCCP area, ecosystem type, and time period. It is assumed that the TRA input tables will be generally in a format used in prior model analysis in October/November 2006. HEG will produce summary cost tables for the draft PCCP and up to three alternatives, as well as a memorandum to staff summarizing the results of the analysis.

In November 2004, HEG produced a memorandum documenting the methods and assumptions for the cost model. Under this new contract, HEG will:

- update the cost model documentation, and
- prepare the cost model for inclusion as a PCCP appendix.

TASK 2 REVIEW OF COST ASSUMPTIONS (ICF Jones & Stokes)

ICF Jones & Stokes will review the revised draft PCCP and revise the restoration, management, and monitoring costs based on the updated assumptions provided in the draft PCCP. This work will include coordination with County staff and with other members of the consultant team working on the vernal pool restoration strategy, the oak woodlands conservation strategy, and fuel management activities on reserve lands. ICF Jones & Stokes will also review and update administration cost assumptions and will assist HEG to provide estimates of PCCP costs in perpetuity. ICF Jones & Stokes will also review the cost model documentation produced by HEG (see Task 1) and will update Appendix A: Detail on Cost Categories and Sources and Appendix B: Restoration Cost Project Database. The proposed budget assumes one round of cost revisions after staff and technical review of the updated cost model assumptions.

ICF Jones & Stokes will provide on-going support in reviewing and revising the restoration, management, and monitoring costs to completion of the final PCCP document. Revisions will be based on updated assumptions provided in subsequent versions of the PCCP, County and agency comments, and on public comments received on the public draft PCCP. The budget assumes time for three project team and/or technical review meetings at the Placer County Planning Department in Auburn.

TASK 3 UPDATED LAND VALUE ANALYSIS (Bender Rosenthal, Inc.)

Task 3A Basic Land Value Research

The first phase of the assignment will include an updated market search for all comparable sale data that might be available in and around the study areas, followed by an analysis of these sales. Land values will be updated for all categories specified in the original analysis by researching additional comparable sales in the larger region, as well as considering any option information uncovered. Because the market has changed drastically since 2005, the sales search is far more difficult today with fewer transactions. This factor will require a larger geographic search to obtain sufficient data for the analysis. The deliverable will be a report summarizing land values, including a matrix presentation of likely fee simple values in various subareas for various property types. The proposed budget assumes attendance at one two- hour meeting.

Task 3B Transitioning Land Value Analysis

There have historically been growth pressures emanating from surrounding areas as the demand for possible development land pushed outward into the surrounding agricultural areas. The prices paid for land in portions of the county reflect speculative values that vary greatly. Bender Rosenthal will evaluate land sales analyzing the transition from agricultural land to development land, based on current market conditions. This analysis will include consideration of specific plan areas and the impact of the economy on development land and value. The deliverable will be a discussion/analysis in the report on the value increases of land transitioning from agricultural uses to speculative/development land.

Task 3C Conservation Easement Analysis

A conservation easement analysis will be included as in the original 2005 report.

TASK 4 PCCP FINANCIAL ANALYSIS (Willdan Financial Services)

Task 4A PCCP Financing Options

Willdan Financial Services (then MuniFinancial) completed a draft memorandum, "Preliminary PCCP Financial Plan Discussion", in June 2005. Under this new contract, Willdan will:

- ♦ update the memorandum to reflect any commonly known changes in law or practice, and
- ♦ update the references to PCCP planning after conferring with staff and consultant team.

Task 4B PCCP Financial Alternatives Analysis

- ♦ Willdan Financial Services will construct a financing model to project annual cash flows using screened potential revenue sources to fund the expenditure requirements identified for the PCCP and given the projections of new development prepared for the PCCP economic analysis. The model will likely include multiple funds to accommodate revenues that may be restricted to funding specific activities such as land acquisition and restoration, management and administration, or endowment. The planning horizon of the model will likely be 50 to 75 years.

- Willdan will use the model to develop alternative financing plans that combine revenue streams to meet expenditure requirements. We will likely structure alternatives based on the reasonable range of revenue estimates for (1) federal and state funds, (2) voter approved countywide tax measure, and (3) new development exactions (impact fees, assessments, and special taxes).

Task 4C Draft and Final Financial Alternatives Report

Willdan will deliver one administrative draft and one public review draft of a report summarizing the results and findings of Task 4 subtasks. The report will:

- Describe types of costs and revenue alternatives;
- Describe funding base projections;
- Discuss financing plan alternatives and the rationale for each;
- Present each financing plan alternative including a narrative and tables showing projections by fund through the planning horizon; and
- Develop a rationale for and recommend a preferred alternative.

TASK 5 MITIGATION FEE REPORT (Willdan Financial Services)

Assuming the PCCP Financing Plan is adopted and contains a mitigation fee as part of that plan, at the County's direction, Willdan Financial Services will prepare a separate mitigation fee documentation report in accordance with requirements of California Government Code Section 66000 *et sequental*, to the extent that the code is applicable to habitat conservation fees. The report will rely on development projections and costs consistent with those used in the PCCP Financing Plan. The Mitigation Fee Report will be included as an Appendix to the PCCP.

TASK 6 FISCAL AND ECONOMIC IMPACT ANALYSIS (Hausrath Economics Group)

HEG prepared a draft report entitled *Local Government Impacts of the Placer County Conservation Plan* in August 2005. This report addressed direct and indirect implications of the PCCP for Placer County's General Fund and included discussion of implications for economic development and development feasibility. Under this new contract, HEG will:

- update the draft report to reflect changes in economic assumptions,
- update references to PCCP planning, and
- prepare a final report after receiving staff comment for inclusion as an appendix to the Second Administrative Draft PCCP, and
- prepare a revised report based on agency comment for inclusion in the Public Review Draft PCCP.

TASK 7 COST AND FUNDING CHAPTER (Hausrath Economics Group and Willdan Financial Services)

The Cost and Funding chapter of the PCCP will be based on the cost analysis prepared by HEG and the Funding analysis prepared by Willdan Financial Services. HEG will adapt the cost

model documentation (Task 1) to serve as the cost portion of this chapter and Willdan will adapt the Financing Options memorandum (Task 4A), the Financial Alternatives Analysis (Task 4C), and the Mitigation Fee Documentation Report (Task 5) to serve as the Funding portion of this chapter.

We will prepare one (1) pre-administrative draft chapter for staff/consultant team review. We will provide one (1) revision based on staff/team comments and prepare the chapter for inclusion in the Second Administrative Draft PCCP. We will subsequently complete a final revision for the public review draft PCCP. (Any additional revisions will require additional scope and budget.)

TASK 8 INTERIM PCCP DOCUMENT (Hausrath Economics Group and Willdan Financial Services)

HEG and Willdan will adapt existing memoranda and reports for inclusion in the "interim" Second Administrative Draft PCCP. Specifically, HEG will prepare material for the discussion of land use and growth in Chapter 2 (Land Use and Covered Activities). HEG and Willdan will prepare material for Chapter 6 (Costs and Funding) and for supporting appendices. The budget assumes no more than two revisions to this interim document without additional scope and budget.

TASK 9 MEETINGS (Hausrath Economics Group and Willdan Financial Services)

HEG and Willdan Financial Services will attend up to two meetings of the Ad Hoc Committee, up to three meetings of the Finance Subcommittee, and two meetings of the Board of Supervisors. Cost estimates include meeting attendance as well as time for preparation and follow-up.

TASK 10 ON-GOING SUPPORT TO STAFF (Hausrath Economics Group and Willdan Financial Services)

HEG and Willdan Financial Services will provide on-going support to Placer County staff regarding economic, financial, and fiscal issues associated with the negotiations and discussions surrounding the draft PCCP. This will include assistance as the details of the governance structure and the implementing agreement are specified. Consulting services will be billed on an hourly time and materials basis up to the maximum amount estimated.

PROPOSED BUDGET

Proposed Budget by Task and Firm					
	HEG	WFS	ICF J&S	B - R	Total
Task 1 PCCP Cost Model and Analysis	\$30,000				\$30,000
Task 2 Review of Cost Assumptions			\$29,777		29,777
Task 3 Updated Land Value Analysis				\$32,450	32,450
Task 4A PCCP Financing Options		\$5,000			5,000
Task 4B PCCP Financial Alternatives Analysis		\$30,000			30,000
Task 4C Draft and Final Financial Alternatives Report		\$25,000			25,000
Task 5 Mitigation Fee Report		\$15,000			15,000
Task 6 Fiscal and Economic Impact Analysis	\$8,000				8,000
Task 7 Cost & Funding Chapter	\$5,000	\$8,000	\$2,760		15,760
Task 8 Interim PCCP Document	\$10,000	\$5,000			15,000
Task 9 Meetings	\$10,500	\$10,500			21,000
Task 10 On-going Support to Staff/Team	\$15,120	\$15,300			30,420
	\$78,620	\$113,800	\$32,537	\$32,450	\$257,407
				remaining budget as of 12/31/2008	<u>\$72,068.70</u>
				balance for contract amendment	\$185,338.30

HEG: Hausrath Economics Group (prime contractor)

WFS: Willdan Financial Services, formerly MuniFinancial (subcontractor)

ICF J&S: ICF Jones & Stokes (subcontractor)

B-R: Bender Rosenthal (subcontractor)

DESCRIPTION: **CONTRACT FOR CONSULTANT SERVICES - PREPARATION OF A FINANCIAL ALTERNATIVES, FISCAL IMPACT, AND OPEN SPACE MITIGATION FEE ANALYSIS**

THIS AGREEMENT, entered into this 6 day of April 2004, by and between the COUNTY OF PLACER (hereinafter called the "COUNTY"), and HAUSRATH ECONOMICS GROUP, (hereinafter called the "CONSULTANT").

In consideration of the promises and covenants hereinafter set forth, the parties agree as follows:

1. Consulting Services

- a. CONSULTANT agrees, during the term of this Agreement, to perform the consulting services set forth below and in Exhibit A- Scope of Services.
- b. CONSULTANT shall perform all services required under this Agreement in a manner consistent with generally accepted professional procedures. CONSULTANT shall strive for maximum accuracy in the results obtained for its services, and the data provided shall be as accurate and up-to-date as is reasonably possible.
- c. In addition to the services described in Sub-paragraph (a) above, the parties may from time to time agree in writing during the term of this Agreement that CONSULTANT shall perform additional services in connection with the Scope of Services. Such additional services may include, but are not limited to:
 - (1) Attendance by CONSULTANT at meetings or public hearings beyond those addressed in the Scope of Work and for which charges for time and materials exceed the budgeted amount;
 - (2) Any additional consulting services related to the project.
- d. CONSULTANT, shall be obligated to devote as much of its attention, skill, and effort as may be reasonably required to perform the services described herein in a professional and timely manner.

2. Duties of County

To permit CONSULTANT to render the services required hereunder, COUNTY shall, at its expense and in a timely manner:

- a. Appoint a staff member to act as coordinator between the COUNTY and the CONSULTANT;
- b. Provide the CONSULTANT with all existing relevant information for the subject project;

- c. Promptly review any and all documents and materials submitted to COUNTY by CONSULTANT; and
- d. Promptly notify CONSULTANT of any fault or defect in the PROJECT in any way relating to the performance of CONSULTANT'S services hereunder.

3. Personnel

- a. CONSULTANT agrees that it will employ, at its own expense, all personnel, including any sub-contractors, reasonably necessary in its discretion to perform the services required by this Agreement, and in no event shall such personnel be the employees of COUNTY. All of the services required hereunder shall be performed by the CONSULTANT or sub-contractors, subject to provisions of Section 3(b) below.
- b. In addition to personnel employed directly by CONSULTANT, CONSULTANT may engage such sub-contractors as it may deem necessary to the performance of its services hereunder with the prior written approval of COUNTY. Any such sub-contractors shall be paid by the CONSULTANT from the funds payable to CONSULTANT pursuant to Section 4 of the contract, and in no event shall COUNTY be responsible for the payment of such sub-contractors.

4. Payment

The COUNTY agrees to pay to CONSULTANT \$127,610.00 as the sole compensation under this contract for the scope of work as described in Exhibit A. Payment shall be made monthly based on time and materials charges according to the fee schedule set forth in Exhibit B attached hereto and incorporated herein by reference.

- a. The cost of additional services as may be requested by the parties hereto shall be mutually agreed upon in writing prior to commencement of such additional work.
- b. COUNTY retains the right to require proof of services performed or costs incurred prior to any payment under this Agreement.
- c. The COUNTY retains the right to require the submittal by the CONSULTANT of all background research materials generated by the CONSULTANT in the preparation of any report prepared pursuant to this contract.
- d. Payment shall only be made for work or attendance at meetings specifically authorized by the COUNTY.
- e. CONSULTANT shall have the right to stop work at any time during the project should COUNTY fail to pay CONSULTANT within thirty (30) days of receipt of an invoice.

5. Abandonment of Services

If the COUNTY finds it necessary to abandon or suspend the Scope of Services, the CONSULTANT shall be compensated for all work completed under Article 1 according to the schedule for payments designated under Article 4. Work items not completed, but upon which work has been performed, shall be paid for on the basis of time and expenses incurred in accordance with the attached consultant fee schedule (Exhibit B).

6. Time of Performance

The CONSULTANT shall provide the deliverables outlined in the Scope of Services within the specified timeframe (see Exhibit A). By agreement between COUNTY and CONSULTANT the deadlines referenced in Exhibit A may be extended for a mutually agreed upon period of time if circumstances require. It is possible that other elements of the NCCP/HCP work program may affect this schedule. Consequently, the county may modify the schedule if necessary in the event that changes arise. Such modifications could occur during contract modifications or after the contract is let.

7. Uncontrollable Delay

All agreements on CONSULTANT'S part are contingent upon and subject to the provision that CONSULTANT shall not be responsible for damages or be in default by reason of delays in performance by reason of strikes, lockouts, accidents, acts of God, and any other delays unavoidable or beyond CONSULTANT'S reasonable control. In the event of any such cause of delay, the time of completion shall be extended accordingly.

8. Ownership of Documents

CONSULTANT agrees to return to the COUNTY, upon termination of this Agreement, all documents, drawings, photographs, and other written or graphic material, however produced, received from COUNTY and used by CONSULTANT in the performance of its services hereunder. All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by CONSULTANT in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of the COUNTY and may be used by the COUNTY for any purpose whatsoever. COUNTY agrees to absolve CONSULTANT of any liability resulting from such future use.

9. Representations

CONSULTANT represents that services will be performed with the usual thoroughness and competence of the profession, in accordance with the standard for professional services at the time those services are rendered.

10. Hold Harmless and Indemnification Agreement

The CONSULTANT hereby agrees to protect, defend, indemnify, and hold PLACER COUNTY free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by PLACER COUNTY arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the COUNTY) and without limitation by enumeration, all other claims or demands, to the extent caused by CONSULTANT'S negligent acts, errors, or omissions or willful misconduct. CONSULTANT agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the expense of the CONSULTANT to the extent caused by CONSULTANT'S negligent acts, errors, omissions or willful misconduct. This provision is not intended to create any cause of action in favor of any third party against CONSULTANT or the COUNTY or to enlarge in any way the CONSULTANT'S liability but is intended solely to provide for indemnification of PLACER from liability for damages or injuries to third persons or property to the extent arising from CONSULTANT'S negligent performance or willful misconduct pursuant to this contract or agreement.

As used above, the term PLACER COUNTY means Placer County or its officers, agents, employees, and designated volunteers.

11. Insurance

CONSULTANT shall file with COUNTY concurrently herewith a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A:VII certifying insurance coverage under policies and endorsements as required in paragraphs 12 - 16 below.

12. Worker's Compensation and Employers Liability Insurance

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, five hundred thousand dollars (\$1,000,000) policy limit for bodily injury by disease, and five hundred thousand dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to CONSULTANT'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act., the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries and claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be canceled without first giving thirty (30) days prior written notice to the County of Placer."

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

13. General Liability Insurance

a. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONSULTANT, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below the including coverage for:

(1) Contractual liability insuring the obligations assumed by CONSULTANT in this Agreement.

(2) One of the following forms is required:

- (a) Comprehensive General Liability;
- (b) Commercial General Liability (Occurrence); or
- (c) Commercial General Liability (Claims Made).

(3) If CONSULTANT carries a comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

One million dollars (\$1,000,000) each occurrence
One million dollars (\$1,000,000) aggregate

(4) If CONSULTANT carries a Commercial General Liability (Occurrence) policy:

(a) The limits of liability shall not be less than:

One million dollars (\$1,000,000) each occurrence
(combined single limit for bodily injury and property damage)

One million dollars (\$1,000,000) for Products-Completed Operations

One million dollars (\$1,000,000) General Aggregate

(b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

(5) Special Claims Made Policy Form Provisions:

CONSULTANT shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of

COUNTY, which consent, if given, shall be subject to the following conditions:

(a) The limits of liability shall not be less than:

One million dollars (\$1,000,000) each occurrence
(combined single limit for bodily injury and property damage)

One million dollars (\$1,000,000) aggregate for Products
Completed Operations

One million dollars (\$1,000,000) General Aggregate

(b) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

14. Endorsements

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- a. "The County of Placer, its officers, agents, employees, and designated volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
- b. "The insurance provided by the Consultant, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."
- c. "This policy shall not be canceled without first giving thirty (30) days' prior written notice to the County of Placer."

15. Automobile Liability Insurance

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

16. Professional Liability Insurance (Errors and Omissions)

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than _____. (Note: This coverage is not required unless an amount is indicated.)

17. Notices

- a. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered, and addressed to the parties as follows:

COUNTY OF PLACER
Planning Department
Attn: Fred Yeager
11414 "B" Avenue
Auburn, CA 95603

CONSULTANT
Hausrath Economics Group
Attn: Sally Nielsen
1212 Broadway, #1500
Oakland, CA 94612

Any notice so delivered personally shall be deemed to be received on the date of delivery and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

- b. No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties.

18. Assignment

No party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of each of the other parties. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the parties hereto.

19. Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of Placer, California.

20. Entire Agreement

This Agreement sets forth the entire understanding between the parties as to the subject matter of the Agreement and merges all prior discussions, negotiations, letters of understanding, or other promises, whether oral or in writing.

In witness, whereof, the parties have executed this Agreement the day and year first written above.

PLACER COUNTY:

Dave Seward
Dave Seward, Purchasing Manager

4-13-04
Date

CONSULTANT*:

Linda H. Hausrath
Consultant: Hausrath Economics Group
Title: President/Vice President

March 23, 2004
Date

Sally E. Nielsen
Consultant: Hausrath Economics Group
Title: Secretary

March 23, 2004
Date

Approved as to Content:

Fred Yeager
Fred Yeager, Planning Director

3-25-04
Date

Approved as to Form:

Gerald Carden
Gerald Carden, Chief Deputy County Counsel

3-29-04
Date

*If a corporation, agreement must be signed by two corporate officers; one must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation.

EXHIBIT A
SCOPE OF SERVICES

TASK 1 FINANCIAL ALTERNATIVES ANALYSIS

Subtask 1A Cost Determination

This subtask will develop a cost model for analyzing and summarizing one-time and on-going costs of implementing the Placer County NCCP/HCP. The work effort will include the following:

- Design a cost model to compare alternative conservation programs. Conduct an initial work session with county staff to fully explore the potential parameters to include in the model and the types of questions that staff and decision-makers will expect the model to answer. Design a model that retains flexibility and adaptability required by staff for subsequent iterative analysis.
- Design a model that produces expenditure requirements for use in constructing Financing Alternatives and a recommended Financing Plan (Subtask 1C). Summarize expenditures on an annual basis and at five-year increments through 2050. Summarize expenditures according to categories that can be matched with appropriate revenue sources.
- Analyze up to four alternative conservation programs for presentation to staff. Consult with County staff and the NCCP/HCP team on appropriate alternatives for the initial analysis.
- Prepare text and tables summarizing assumptions, methods, and findings of the cost model. This will include a separate appraiser's report and matrix summarizing the land value analysis. Prepare documentation to enable subsequent manipulation of the model by County staff. Present findings to County NCCP/HCP team.

The model will require a number of different cost factor inputs. We will use the following methods and sources for obtaining those inputs.

- Land acquisition: Develop per-acre cost factors for specified subareas of Western Placer County and for land uses within those subareas, as well as for a limited number of locations outside Placer County as identified by County staff. Derive land value factors from land value research and analysis conducted consistent with the appraisal practices of broad valuation and larger scale project feasibility assignments. The analysis will explicitly consider the preserve and open space acquisition experience of Placer County, the Natomas Basin Conservancy, and the Sacramento Open Space Conservancy.
- Acquisition interests: Develop valuation assumptions for forms of acquisition other than fee title that would be encouraged by the NCCP/HCP. Evaluate easement and other less-than-fee values relative to fee title values, considering land use and other restrictions.

- Acquisition options: Prepare a summary of other ways interests or rights in land can be acquired. Use materials prepared by the Trust for Public Land, the Land Trust Alliance, and other similar sources.
- Initial land restoration: Assemble per-acre cost factors specified by preserve type. Factors to be provided by members of the County NCCP/HCP team.
- On-going land management: Develop costs factors for each land cover type, expressed per-acre or according to specified cumulative preserve thresholds. Develop separate cost factors for biological and implementation monitoring, adaptive management, and overall program administration. Reflect variance in management cost factors over time, depending on the phase of program effort. In general, factors to be provided by, or developed in consultation with, County staff and other members of the NCCP/HCP team. Supplement as needed using resources such as *Operational Guidelines* published by the National Recreation and Park Association, and, if appropriate, limited research of comparable land management entities. Identify any cost savings or premiums associated with assigning this responsibility for on-going land management to an independent professional preserve management organization.

Task 1A Completion Timeframe: May 2004

Subtask 1B Projected Funding Base

This subtask will produce a spreadsheet model to convert projections of population and employment growth to estimates of land conversion in Western Placer County. We will prepare text and tables summarizing assumptions, methods, and findings of the land conversion/funding base model, and we will present the model and the findings to the County NCCP/HCP team. Elements of the work plan to produce the model include:

- Build the first phase of the model (for estimating land conversion through 2025) using the SACOG *2001 Projections* minor zone database for the 2000 – 2025 time period. Review the SACOG model factors that could be used to estimate land conversion to determine their adequacy for the purposes of the NCCP/HCP analysis. Consider the sensitivity of the land conversion estimates to changes in these factors over time as well as to variations reflecting the location of new development. Conduct the detailed analysis necessary to split minor zones at the eastern edge of the Phase 1 boundary, using Census block data and detailed land use information from the Planning Department.
- Extend population and employment projections for Western Placer County through the year 2050 based on analysis of DOF long-term projections, long-term projections prepared by for Placer County's General Plan, and more recent land use and demographic analysis conducted for Placer Vineyards and for cities in Western Placer County (both Lincoln and Rocklin are updating their General Plans and Roseville regularly updates long-term absorption analyses). Review analysis conducted for SACOG's Blueprint Project, including background materials and results of the SACOG Blueprint workshop recently

conducted in Placer County and SACOG's work to develop a Base Case land use scenario.

- Incorporate fields in the projections database model to enable estimates of land conversion to be summarized not only by jurisdiction but also according to the development and conservation areas identified in the Conservation Strategy alternatives. Consult with County planning department staff to develop the necessary correspondence between minor zones and each of the incremental development areas specified in the conservation strategy alternatives. Use the model to test the implications on the funding base of different land conversion assumptions, i.e., different development patterns assuming higher densities and/or greater proportions of infill development.

Task 1B Completion Timeframe: May 2004

Subtask 1C Financing Alternatives for Local Jurisdictions

The scope of this task will include:

- Conduct an initial screening of potential revenue sources and financing alternatives based on ability to fund required activities, ease of implementation, and revenue potential. Consider the revenues sources listed in the RFP under this subtask plus an open space mitigation fee (Task 3). Consult with the County NCCP/HCP team regarding legal issues such as interpretation of statutes with regards to allowable use of fee or assessment revenues. Review existing County public facility and debt financing policies.
- Construct a financing model to project annual cash flows using screened potential revenues sources to fund the expenditure requirements identified in Subtask 1A, and given the funding base developed in Subtask 1B. The model will likely include multiple funds to accommodate revenues that may be restricted to funding specific activities such as land acquisition and restoration, management and administration, or endowment. The planning horizon of the model will likely be 50 to 75 years.
- Use the model to develop alternative financing plans that combine revenue streams to meet expenditure requirements. Use debt financing to enable land interest acquisition in the early years of the program. We will likely structure alternatives based on the reasonable range of revenue estimates for (1) federal and state funds, (2) voter approved countywide tax measure, and (3) new development exactions (impact fees, assessments, and special taxes). Estimating a reasonable range for development exactions will require consideration of the fiscal impacts on economic development to be further analyzed in Subtask 2B.
- One meeting with the County NCCP/HCP team to present summary results of the financial analysis.

Task 1C Completion Timeframe: June 2004

Subtask 1D Draft and Final Financial Alternatives Report

We will deliver two administrative drafts and one public review draft of a report summarizing the results and findings of Task 1 subtasks. We will deliver a final Financial Alternatives Report incorporating revisions based on public comment. The report will:

- ♦ Describe types of costs and revenue alternatives;
- ♦ Describe funding base projections;
- ♦ Discuss financing plan alternatives and the rationale for each;
- ♦ Present each financing plan alternative including a narrative and tables showing projections by fund through the planning horizon; and
- ♦ Develop a rationale for and recommend a preferred alternative.

Task 1D Completion Timeframe: Admin Draft Round 1 - June 2004

Admin Draft Round 2 - July 2004

Public Review Draft - August 2004

Final Report - October 2004

TASK 2 FISCAL IMPACT ANALYSIS**Subtask 2A Identification of Fiscal Impacts on Placer County**

Evaluating the direct public agency fiscal impacts of on-going management of the HCCP/NCP requires the following:

- ♦ Summarize Placer County operating budget costs and revenues associated with on-going implementation and management of the NCCP/HCP program from Task 1.
- ♦ Compare costs and revenues on an annual basis through 2050 and evaluate the sustainability of the permanent annual cost and revenue balance.
- ♦ Summarize fiscal impacts for Placer County.

Subtask 2B Fiscal Impacts on Economic Development Activities

To evaluate the implications of the NCCP/HCP on the overall level of development and economic activity in Placer County, this analysis will compare expected conditions without a comprehensive NCCP/HCP to conditions assuming the NCCP/HCP were in place. The evaluation will be largely qualitative, consisting of the following elements:

- ♦ Review conclusions flowing from theory and the results of studies in other locations for their relevance to the Placer County situation.
- ♦ Evaluate development costs and the time required to obtain development approvals; quality of life and property values; infrastructure costs associated with different locations and densities of development; opportunity costs

associated with preserve conservation strategies; development cost burdens to provide a portion of NCCP/HCP funding as well as other infrastructure funding; and generalized comparisons to infrastructure and development exaction cost burdens in other communities in the region.

- ♦ Evaluate implications for potential Western Placer development proposals and the ability of this part of Placer County to accommodate growth in the context of longer-term local and regional development patterns.

Subtask 2C Tax Base Impacts of Conservation Land Acquisition

The work in this subtask will be organized as follows:

- ♦ Develop a database of conservation opportunity areas and development opportunity areas in Western Placer County, including fields for existing use, zoning, location, assessor's parcel number, and current assessed value.
- ♦ Develop gross estimates of potential per-acre land values for areas that could be developed for urban expansion. Develop estimates of per-acre land values for conservation lands based on land value and acquisition interest analyses from Subtask 1A.
- ♦ Research and summarize the implications for the tax base of transferring interest in land from private to public ownership. Consider property tax assessment of mitigation banks and the interaction of the NCCP/HCP preserve design and conservation strategy with Williamson Act lands.
- ♦ Develop alternative tax base scenarios for conservation and development opportunity areas in Western Placer County. The analysis will be comparable to the land cover impact analysis conducted for existing conditions and the four design alternatives presented in the *Draft Conservation Strategy Overview*. The analysis will rely on conservation alternatives defined by County staff, including assumptions about location of preserves, acquisition strategies, and the degree of public or non-profit trusteeship vs. on-going private ownership and operation of preserve lands.

Subtask 2D Draft and Final Fiscal Impact Analysis Report

We will deliver two administrative drafts and one public review draft of the report summarizing the results and findings of Task 2 subtasks. We will deliver a Final Fiscal Impact Analysis report incorporating revisions based on public comment.

Task 2D Completion Timeframe: Admin Draft Round 1 - June 2004

Admin Draft Round 2 - July 2004

Public Review Draft - August 2004

Final Report - October 2004

TASK 3 OPEN SPACE MITIGATION FEE ANALYSIS

Subtask 3A Open Space Fee Calculation

Work effort to complete this task includes:

- ♦ Review County staff work and meet with staff to explore nexus and cost allocation issues. Consider definition of open space resources, the adequacy of information describing existing resources, the rationale for defining geographic areas of benefit, allowable uses of development impact fee funds, and the relationship between an open space fee and development impact fees to fund preserves under the NCCP/HCP.
- ♦ Coordinate with the County NCCP/HCP team and attend one meeting with the Stakeholder Committee.
- ♦ Estimate the cost to mitigate for the loss of open space resources as a result of new development in unincorporated Placer County. Estimates will be based on calculations of the acres of open space resources lost as a result of future land development activities (estimates to be developed using land conversion/funding base model—Subtask 1B and input from County staff), appropriate mitigation ratios, and costs to acquire and/or permanently protect comparable open space resources. Land cost estimates for Western Placer subareas will be based on elements of the land value analysis conducted for Subtask 1A. For areas outside Western Placer County, will gather data and information from the County, special districts, land trusts, and other government agencies describing relevant land transactions.
- ♦ Consider other funding sources and means to achieve compensation and allocate costs to land development activities to complete the fee calculation.
- ♦ Prepare a report for staff review presenting the fee calculation, outlining the rationale for the open space mitigation fee, and documenting the approach and assumptions behind the fee calculation.

Task 3A Completion Timeframe: May 2004

Subtask 3B Open Space Mitigation Fee Nexus Study

- ♦ Review the draft Mitigation Fee Nexus Report prepared by County staff and modify the draft report to incorporate the nexus conclusions, cost allocations, and fee calculations developed in Task 3A.

Task 3B Completion Timeframe: Admin Draft June 2004

Final Report July 2004

OPTIONAL TASKS

Public Presentations

Public presentations of the results of the financial alternatives analysis, the fiscal impact analysis, and the open space mitigation fee analysis to the public and to the Placer County Board of Supervisors are not explicitly included in this scope and budget. These public presentations are in addition to staff presentations of interim work products.

Attendance at public meetings or hearings would be billed at the consultant's regular hourly rate. We recommend assuming a minimum of eight hours per meeting, to account for preparation, travel, and meeting time. For Ms. Nielsen, this amounts to a cost of \$1,040 per meeting. For Mr. Spencer, this amounts to a cost of \$1,200 per meeting.

Fiscal Impact Analysis for Other Participating Agencies

The scope of work for the fiscal impact analysis is limited to analysis of Placer County fiscal impacts. Impacts to potentially participating agencies could be included. It would be easier to define the scope of that analysis once the nature of the participation was established. Potentially participating agencies include the City of Lincoln, the Placer County Water Agency, and the Placer County Resources Conservation District. Interested agencies could help to define the scope of work and could fund this part of the analysis.

Note: It is possible that other elements of the NCCP/HCP work program may affect the schedule outlined in this scope of work. Consequently, the county may modify the schedule if necessary in the event that changes arise. Such modifications could occur during contract modifications or after the contract is let.

**FINANCIAL ALTERNATIVES AND FISCAL IMPACT ANALYSIS
COUNTY OF PLACER
PHASE 1 NATURAL COMMUNITIES CONSERVATION PLAN / HABITAT CONSERVATION PLAN
BUDGET**

	<u>Hausrath Economics Group</u>			<u>MuniFinancial</u>			<u>Bender-Rosenthal, Inc.</u>	TOTAL COSTS
	<u>Nielsen</u>	<u>Associate</u>	<u>Subtotal Costs</u>	<u>Spencer</u>	<u>Senior Analyst</u>	<u>Subtotal Costs</u>		
Confirm scope and assumptions/project management/coordination	10	-	\$1,300					\$1,300
Task 1 Financial Alternatives Analysis								
1A. Cost Determination	60	30	\$10,650	-	-	-	\$30,500	41,150
1B. Projected Funding Base	40	32	8,240	-	-	-		8,240
1C. Financing Alternatives for Local Jurisdictions	10	-	1,300	72	120	22,800		24,100
1D. Draft and Final Financial Alternatives Report	32	-	4,160	36	40	9,400		13,560
Task 1 Subtotal	142	62	\$24,350	108	160	\$32,200	\$30,500	\$87,050
Task 2 Fiscal Impact Analysis								
2A. Fiscal Impacts on Placer County	30	12	\$5,040	-	-	-		5,040
2B. Fiscal Impact on Economic Development Activities	30	12	5,040	-	-	-		5,040
2C. Tax Base Impacts of Conservation Land Acquisition	30	12	5,040	-	-	-		5,040
2D. Draft and Final Fiscal Impact Report	40	-	5,200	-	-	-		5,200
Task 2 Subtotal	130	36	\$20,320					\$20,320
Task 3 Open Space Mitigation Fee Analysis								
3A. Open Space Fee Calculation	40	12	\$6,340	20	-	3,000		9,340
3B. Open Space Mitigation Fee Nexus Study	40	-	5,200	20	-	3,000		8,200
Task 3 Subtotal	80	12	\$11,540	40	-	\$6,000		\$17,540
Total Labor Hours and Costs	362	110	\$57,510	148	160	\$38,200	\$30,500	\$126,210
Expenses (travel, materials, reproduction etc.)			\$900			\$500	incl.	\$1,400
GRAND TOTAL			\$58,410			\$38,700	\$30,500	\$127,610
	<i>Hourly Rate</i>	<i>\$130</i>	<i>\$95</i>	<i>\$150</i>	<i>\$100</i>			

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EXHIBIT B

BILLING RATE SCHEDULE

	Hourly Rate
<u>Hausrath Economics Group</u>	
L. Hausrath	\$160
S. Nielsen	\$130
Associate Economist	\$95
<u>MuniFinancial</u>	
R. Spencer	\$150
Senior Analyst	\$100
<u>Bender Rosenthal, Inc.</u>	
S. Rosenthal MAI	\$165
C. Bender MAI	\$165
D. Wraa MAI	\$165
Senior Appraiser	\$115
Project Manager	\$130
Acquisition Agent	\$105
Relocation Specialist	\$105
Other Associated Professional Staff	\$85
Researchers	\$55
Administrative/Production	\$40



PLACER LEGACY

CONSERVING OUR LAND
PROTECTING OUR HERITAGE

April 14, 2004

Sally Nielson
Hausrath Economics Group
1212 Broadway, #1500
Oakland, CA 94612

RE: Financial Alternatives, Fiscal Impact, and Open Space Mitigation Fee Analysis

Dear Sally:

Please let this letter serve as notice to proceed with consultation work for the above referenced project. Enclosed for your records is one executed contract for this work.

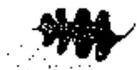
Placer County looks forward to working with you on this project. If you have any questions regarding the enclosed information, please do not hesitate to contact me at (530) 886-3000. Your attention to this matter is greatly appreciated.

Sincerely,

Christopher Schmidt
Administrative Services Officer

CC: Melissa Bateate, Associate Planner
Contract File

Enclosures



Nelson

**FIRST AMENDMENT TO CONSULTANT SERVICES-
FINANCIAL ALTERNATIVES, FISCAL IMPACT, AND
OPEN SPACE MITIGATION FEE ANALYSIS**

THIS FIRST AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT is made and entered on this 29th day of March, 2005, by and between the COUNTY OF PLACER, hereinafter referred to as COUNTY, and HAUSRATH ECONOMICS GROUP, hereinafter referred to as CONSULTANT.

WHEREAS, on April 6, 2004, COUNTY and CONSULTANT entered into a Contract whereby consulting services would be provided to the COUNTY; and

WHEREAS, the parties have agreed to additional services to be provided by Consultant under said contract and the compensation for those additional services.

NOW, THEREFORE, IT IS MUTUALLY AGREED by and among the parties as follows:

1. That section 1(c) of the original Contract shall be amended to provide for the additional services and compensation as follows:

The CONSULTANT agrees to perform the additional professional services as set forth in Attachment "A" attached herelo and incorporated herein by reference, and the total compensation to be paid CONSULTANT for these additional services will result in an increase in the contract total of \$219,845, as set out in Attachment "A".

2. The COUNTY agrees to pay to CONSULTANT \$347,455 as the sole compensation under the Contract and as amended by this First Amendment.

EXCEPT as specifically modified above, all of the remaining terms and conditions of the said Contract shall remain and continue in full force and effect.

RECEIVED
MAR 17 2005

CONSULTANT:

PLANNING DEPT.

By: Sally E. Nielsen
Hausrath Economics Group

Date: March 16, 2005

COUNTY OF PLACER:

By: Dave Seward
Dave Seward, Purchasing Manager

Date: 4/11/05

APPROVED AS TO FORM:

By: Gerald Carden
Gerald Carden, Chief Deputy County Counsel

Date: 3/31/05

APPROVED AS TO CONTENT:

By: Fred Yeager
Fred Yeager, Planning Director

Date: 3-21-05

ATTACHMENT A
SCOPE OF SERVICES

TASK 1: PCCP FINANCIAL ANALYSIS (MuniFinancial)

Task 1A PCCP Financing Options

The scope of this task will include:

- Conduct an initial screening of potential revenue sources and financing alternatives based on ability to fund required activities, ease of implementation, and revenue potential. Consider the revenues sources listed in the RFP under this subtask plus an open space mitigation fee. Consult with the County PCCP team regarding legal issues such as interpretation of statutes with regards to allowable use of fee or assessment revenues. Review existing County public facility and debt financing policies.
- Prepare memorandum summarizing financing options and cost allocation issues, and providing information and magnitude of potential revenues and assessment of appropriateness of revenue sources to various cost components of the PCCP.
- Present memorandum at a Board of Supervisors meeting.

Task 1B PCCP Financial Alternatives Analysis

- Construct a financing model to project annual cash flows using screened potential revenues sources to fund the expenditure requirements identified for the PCCP, and given the projections of new development prepared for the PCCP economic analysis. The model will likely include multiple funds to accommodate revenues that may be restricted to funding specific activities such as land acquisition and restoration, management and administration, or endowment. The planning horizon of the model will likely be 50 to 75 years.
- Use the model to develop alternative financing plans that combine revenue streams to meet expenditure requirements. Use debt financing to enable land interest acquisition in the early years of the program. We will likely structure alternatives based on the reasonable range of revenue estimates for (1) federal and state funds, (2) voter approved countywide tax measure, and (3) new development exactions (impact fees, assessments, and special taxes). Estimating a reasonable range for development exactions will require consideration of the fiscal impacts on economic development.
- One meeting with the County PCCP team to present summary results of the financial analysis.

Task 1C Draft and Final Financial Alternatives Report

MuniFinancial will deliver two administrative drafts and one public review draft of a report summarizing the results and findings of Task 1 subtasks. The final Financial Alternatives Report will incorporate revisions based on public comment. The report will:

- Describe types of costs and revenue alternatives;
- Describe funding base projections,
- Discuss financing plan alternatives and the rationale for each;
- Present each financing plan alternative including a narrative and tables showing projections by fund through the planning horizon; and
- Develop a rationale for and recommend a preferred alternative.

MuniFinancial staff will attend up to three Board of Supervisors meetings to where the PCCP financial alternatives analysis is on the agenda.

TASK 2 IMPACT FEE NEXUS REPORT (MuniFinancial)

Assuming the PCCP Financing Plan is adopted and contains an impact fee as part of that plan, at the County's direction, MuniFinancial will prepare a separate impact fee nexus report in accordance with requirements of California Government Code Section 66000 *et sequental*, to the extent that the code is applicable to habitat conservation fees. The report will rely on development projections and costs consistent with those used in the PCCP Financing Plan.

TASK 3 FISCAL IMPACT ANALYSIS (Hausrath Economics Group)

Task 3A Identification of Fiscal Impacts on Placer County

Evaluating the direct public agency fiscal impacts of on-going management of the HCCP/NCP requires the following:

- Summarize Placer County operating budget costs and revenues associated with on-going implementation and management of the PCCP program.
- Compare costs and revenues on an annual basis through 2050 and evaluate the sustainability of the permanent annual cost and revenue balance.
- Summarize fiscal impacts for Placer County.

Task 3B Fiscal Impacts on Economic Development Activities

To evaluate the implications of the PCCP on the overall level of development and economic activity in Placer County, this analysis will compare expected conditions without a comprehensive PCCP to conditions assuming the PCCP were in place. The evaluation will be largely qualitative, consisting of the following elements:

- Review conclusions flowing from theory and the results of studies in other locations for their relevance to the Placer County situation.
- Evaluate development costs and the time required to obtain development approvals; quality of life and property values; infrastructure costs associated with different locations and densities of development; opportunity costs associated with preserve conservation strategies; development cost burdens to provide a portion of PCCP funding as well as other infrastructure funding; and generalized comparisons to infrastructure and development exaction cost burdens in other communities in the region.

- Evaluate implications for potential Western Placer development proposals and the ability of this part of Placer County to accommodate growth in the context of longer-term local and regional development patterns.

Task 3C Tax Base Impacts of Conservation Land Acquisition

The work in this subtask will be organized as follows:

- Develop a database of conservation opportunity areas and development opportunity areas in Western Placer County, including fields for existing use, zoning, location, assessor's parcel number, and current assessed value.
- Work with the Placer County Assessor's Office to develop an approach to estimating the impacts of acquiring conservation land, considering land values and acquisition interest scenarios from other PCCP economic analysis.
- Research and summarize the implications for the tax base of transferring interest in land from private to public ownership. Consider property tax assessment of mitigation banks and the interaction of the PCCP preserve design and conservation strategy with Williamson Act lands.
- Develop tax base scenarios for conservation and development opportunity areas in Western Placer County. The analysis will rely on conservation alternatives defined by County staff, including assumptions about location of preserves, acquisition strategies, and the degree of public or non-profit trusteeship vs. on-going private ownership and operation of preserve lands.

Task 3D Draft and Final Fiscal Impact Analysis Report

HEG will deliver two administrative drafts and one public review draft of the report summarizing the results and findings of Task 3 subtasks. We will deliver a Final Fiscal Impact Analysis report incorporating revisions based on public comment.

TASK 4 OPEN SPACE MITIGATION FEE ANALYSIS (Hausrath Economics Group)

Task 4A Open Space Fee Calculation

Work effort to complete this task includes:

- Estimate the cost to mitigate for the loss of open space resources as a result of new development in unincorporated Placer County. Estimates will be based on calculations of the acres of open space resources lost as a result of future land development activities, appropriate mitigation ratios, and costs to acquire and/or permanently protect comparable open space resources. Land cost estimates for Western Placer subareas will be based on elements of the land value analysis conducted for the PCCP. For areas outside Western Placer County, we will gather data and information from the County, special districts, land trusts, and other government agencies describing relevant land transactions.
- Consider other funding sources and means to achieve compensation and allocate costs to land development activities to complete the fee calculation.

- ♦ Prepare a report for staff review presenting the fee calculation, outlining the rationale for the open space mitigation fee, and documenting the approach and assumptions behind the fee calculation.

Task 4B Open Space Mitigation Fee Nexus Study

- ♦ Review the draft Mitigation Fee Nexus Report prepared by County staff and modify the draft report to incorporate the nexus conclusions, cost allocations, and fee calculations developed in Task 7A.

TASK 5 UPDATED LAND VALUE ANALYSIS (Bender Rosenthal, Inc.)

Bender Rosenthal will update the land value analysis prepared for the PCCP. This work effort will include an updated market search for comparable sale data in and around the study areas and analysis of those sales. Bender Rosenthal will also evaluate land sales showing exponential increase as land transition from agricultural to development land.

TASK 6 REVIEW OF COST ASSUMPTIONS (Jones & Stokes)

Jones & Stokes will review the revised draft PCCP and revise the restoration and management costs, developed under the existing contract, based on the updated assumptions provided in the draft PCCP. The cost assumes time for one project team meeting at the Placer County Planning Department in Auburn.

Jones & Stokes will provide on-going support I reviewing and revising the restoration and management costs to completion of the final PCCP document. Revisions will be based on updated assumptions provided in subsequent versions of the PCCP, County and agency comments, and on public comments received on the public draft PCCP. The cost assumes time for two project team meetings at the Placer County Planning Department in Auburn.

TASK 7 ON-GOING SUPPORT TO STAFF (Hausrath Economics Group and MuniFinancial)

HEG and MuniFinancial will provide on-going support to Placer County staff regarding economic, financial, and fiscal issues associated with the negotiations and discussions surrounding the draft PCCP. Revisions to the cost model during PCCP review are included in this task. Consulting services will be billed on an hourly time and materials basis up to the maximum amount estimated assuming the Implementing Agreement is signed in November 2006.

PCCP Contact Amendment for costs through completion of the PCCP document					
	Hausrath Economics Group	Muni- Financial	Bender- Rosenthal	Jones & Stokes	Total
Tasks					
1A Financial Options Report		8,000			\$8,000
1B-1C Financial Alternatives Analysis		33,600			\$33,600
2 Fee Nexus Study		8,000			\$8,000
3 Fiscal Analysis	23,300				\$23,300
4 Open Space Mitigation Fee Analysis	8,100				\$8,100
5 Updated Land Value Analysis			17,350		\$17,350
6 Review of Cost Assumptions				37,377	\$37,377
7 On-going support to staff	49,800	26,000			\$75,800
Management	3,390				\$3,390
Contingency	7,000	7,600			\$14,600
	\$91,590	\$83,200	\$17,350	\$37,377	\$229,517
Funds remaining in original contract					\$9,672
Total additional budget request					\$219,845
Note: On-going support to staff includes \$22,000 to cover costs incurred between January and March 2005.					